

# **EXHIBIT 1**

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1 THOMAS P. BEKO, ESQ. (#002653)  
2 PAUL M. BERTONE, ESQ. (#004533)  
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5 P.O. Box 3559  
6 Reno, Nevada 89505  
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8 *Attorneys for Plaintiffs*

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**UNITED STATES DISTRICT COURT**  
**DISTRICT OF NEVADA - RENO DIVISION**

11 PAMELA D. LONGONI, individually  
12 and as Guardian Ad Litem for LACEY  
13 LONGONI, and JEAN M. GAGNON,

Case No.: 3:10-CV-00297-LRH-(VPC)

13 Plaintiffs,

14 vs.

15 GMAC MORTGAGE, LLC., a Delaware  
16 Limited Liability Company, EXECUTIVE  
17 TRUSTEE SERVICES, LLC., a Delaware  
18 Limited Liability Company, ILLANNA  
19 PETERSON, KATHLEEN GOWEN,  
20 individuals, DOES 1-10; BLACK AND  
WHITE CORPORATIONS 1-10,  
corporations; ABLE & BAKER  
COMPANIES 1-10, co-partnerships and  
or limited liability companies,

21 Defendants.  
22 \_\_\_\_\_/

23 **DECLARATION OF JONATHAN "NATE" STEPHENSON**

24 1. I am over the age of eighteen years, and a resident of the County of Dallas, State  
25 of Texas.

26 2. I was employed with GMAC Mortgage, LLC, from approximately January or  
27 February of 2009, until late in 2009, as a Loss Mitigation Specialist. I am providing this  
28 Declaration in supplement to the previous affidavit that I signed on May 15, 2012.

1           3. That as part of my duties as a Loss Mitigation Specialist, I was assigned the task  
2 of reviewing a request by Pamela Longoni and Jean Gagnon for loan modification which was  
3 prompted by a financial hardship that they had encountered. After receiving their request for  
4 assistance and a completed workout package, I began to consider various loss mitigation  
5 plans which were utilized by GMAC Mortgage. The first option that I considered was a  
6 Repayment Plan pursuant to which a borrower is given an opportunity to make temporary  
7 reduced payments which is later followed by a balloon payment which would include  
8 payment of all incurred arrearages. A proposed plan was sent to Ms. Longoni for her  
9 approval.

10           4. Shortly thereafter, I received a call from Ms. Longoni wherein she indicated that  
11 she and Mr. Gagnon lacked sufficient funds to pay any balloon, and because of their existing  
12 financial condition, they would not be able to even pay the monthly payments. At that point,  
13 I made the decision to forego all attempts at a repayment plan and instead sought to gain  
14 approval for a permanent loan modification. After reviewing the borrowers' financial  
15 records, we concluded that they would be able to meet a monthly payment of \$1,600.00. I  
16 set up a proposed permanent loan modification plan which would include monthly payments  
17 of \$1,600.00. To achieve these payments, the loan modification would entail a forgiveness  
18 of \$187,000.00 from the principal of the loan.

19           5. Because of the amount of loan forgiveness, I did not have the authority to authorize  
20 a permanent modification of the Longoni/Gagnon loan. Thus, on or about March 19, 2009,  
21 I submitted my request for approval of the proposed permanent loan modification. Over the  
22 next 90 days I reviewed the internal GMACM log notes which appeared to indicate that their  
23 request was going to be approved.

24           6. As part of the loan modification plan, the borrowers (Longoni and Gagnon) were  
25 required to make monthly payments in the amount of \$1,600.00. This payments were  
26 initially scheduled to be made for a three month trial period during which time GMACM  
27 would decide whether to make the modification permanent. It would also give GMACM an  
28 opportunity to see if the borrowers were able to meet the modified loan requirements.

1 Because this was not a Repayment Plan, there was no scheduled balloon payment. For this  
2 same reason, no written Foreclosure Repayment Agreement was ever sent to Ms. Longoni  
3 and I never indicated to her that they would be required to make any such payment in order  
4 to gain approval of the permanent loan modification. Thus Ms. Longoni and Mr. Gagnon  
5 were never in breach of any repayment agreement as such agreement simply did not exist.

6 7. In May of 2009, I advised Ms. Longoni that I had at least 2 months before I was  
7 required to set up her permanent plan. As noted in my previous affidavit, in late June of  
8 2009, I was informed via email that the borrowers' request for a permanent loan modification  
9 had been approved and I informed Ms. Longoni of that fact on June 30, 2009. I expected that  
10 a confirming agreement would have been sent by GMACM to Longoni/Gagnon.

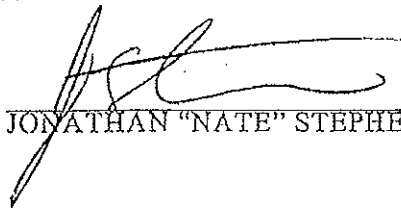
11 8. On July 9, 2009, I learned that GMACM had made a decision to try and place the  
12 borrowers into an Obama Modification plan as opposed to the Traditional plan that I had  
13 initially proposed. On that day, I informed Ms. Longoni that foreclosure efforts were still  
14 on hold while they applied for that modification plan. In my experience, foreclosure  
15 proceedings were always placed on hold while the borrowers were actively pursuing a  
16 permanent loan modification. It was only when all efforts to qualify the applicant for such  
17 a modification had been exhausted would foreclosure proceedings be reinstated, and then  
18 only after clear notice was sent to the borrowers that such process would be restarted.

19 9. I was very surprised to learn that ETS had proceeded forward with the foreclosure  
20 sale on August 14, 2009. I believe that had to be the result of an internal error either from  
21 GMACM or ETS. I have since learned that GMACM has taken the position that Longoni  
22 and Gagnon breached a Repayment Agreement that I had set up. This simply is not true.  
23 There was no such plan. Although I had initially proposed a repayment plan that would have  
24 included a balloon payment in excess of \$19,000.00, that plan was abandoned when I learned  
25 the borrowers would never be capable of satisfying the plan. I never again proposed or set  
26 up any repayment plan. Had there been a new repayment plan, because the monthly  
27 payments were less than the \$2,270.00 initially established, the balloon payment would have  
28 been significantly greater than \$19,000.00.

1 10. Longoni and Gagnon made each of their payments within the time period that I  
2 scheduled. As far as I am aware, they satisfied every requirement that GMACM had imposed  
3 upon them as part of their application for a permanent loan modification.

4 I hereby state under penalty of perjury that the foregoing is true and correct.

5 DATED this 17 day of May, 2015.

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8 JONATHAN "NATE" STEPHENSON  
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19 PETERSON, KATHLEEN GOWEN,  
20 individuals, DOES 1-10; BLACK AND  
WHITE CORPORATIONS 1-10,  
corporations; ABLE & BAKER  
COMPANIES 1-10, co-partnerships and  
or limited liability companies,

21 Defendants.

22  
23 STATE OF TEXAS                    )  
24 COUNTY OF DALLAS                ) ss.

25 **AFFIDAVIT OF JONATHAN "NATE" STEPHENSON**

26 1. I am over the age of eighteen years, and a resident of the County of Dallas, State  
27 of Texas.

28 2. I was employed with GMAC Mortgage, LLC, a Delaware Limited Liability  
Company, from approximately January or February of 2009, until late in 2009, as a loss

1 mitigation specialist. My duties in that position included working with borrowers to achieve  
2 a loan modification which was within the basic parameters established by GMAC Mortgage,  
3 LLC, (and/or its investors) and acceptable to the borrower. GMAC policies and procedures  
4 required that each time an employee communicated with a borrower or otherwise worked on  
5 a borrower file, that employee was required to prepare notes and updates in GMAC's internal  
6 electronic file.

7 3. Pamela Longoni and Jean Gagnon were borrowers that I was working with while  
8 employed with GMAC Mortgage, LLC. During the loan modification process, I frequently  
9 communicated with Pamela Longoni on her application. Each time I communicated with the  
10 borrowers, or otherwise worked on the borrowers' file, I entered a note in the file system  
11 describing the work or communication. In compliance with my requests, Ms. Longoni and  
12 Mr. Gagnon (the "Borrowers") submitted detailed financial information. Upon receipt of  
13 their information, I analyzed under the lender's loan modification guidelines. Based upon  
14 the information they submitted, Ms. Longoni and Mr. Gagnon qualified for a loan  
15 modification under the lender's existing guidelines. Based thereon, I submitted the loan  
16 modification package for approval to my general manager.

17 4. Although GMAC had instituted foreclosure proceedings against Ms. Longoni and  
18 Mr. Gagnon, when they commenced the loan modification process, that foreclosure was  
19 placed on hold. I informed Ms. Longoni of that fact both orally and by email communication.

20 5. On or about April 2, 2009, GMAC approved a trial modification, however, because  
21 I was seeking to write off approximately \$176,000.00 of the principal of the loan, approval  
22 for the final loan modification required approval from our Vice President. Based upon my  
23 review of Ms. Longoni's file, I felt the approval would be given and I informed Ms. Longoni  
24 of that fact by way of email communication.

25 6. On May 5, 2009, I was again contacted by Ms. Longoni requesting a status on the  
26 loan modification request. I checked the electronic file and determined that our Vice  
27 President had not yet reviewed the request, however, my review of the notes suggested that  
28 the modification was in line for approval. I informed Ms. Longoni of this fact by way of

1 email communication. I again informed her that any foreclosure was on hold.

2 7. In June of 2009, I was transferred to a new team, however, on June 29, 2009, I  
3 received an email communication from Ms. Longoni wherein she indicated that she was  
4 having difficulty locating the officer who was going to complete work on her loan  
5 modification. In response, I sent an email to my previous department inquiring into the status  
6 of her loan modification request. On June 30, 2009, I received a responsive email informing  
7 me that Ms. Longoni's file had been sent for final management approval. I also learned that  
8 an officer by the name of Landon Huck was now handling the file. I passed this information  
9 on to Ms. Longoni by way of email communication.

10 8. Later that same day, I reviewed Ms. Longoni's GMAC's internal file, and I  
11 received another email from my former department which indicated that Ms. Longoni's final  
12 loan modification had, in fact, been approved. I informed Ms. Longoni of that fact by way  
13 of email communication.

14 9. At no time during this process did anyone advised me that Ms. Longoni's loan  
15 modification was not approved, nor did her internal GMAC file reflect that fact. During the  
16 course of her application and trial loan modification process, the borrowers were generally  
17 in compliance with the repayment plan.

18 10. Shortly after my June, 2009, communications with Ms. Longoni, I learned that  
19 GMAC had proceeded forward with the foreclosure upon the borrowers' property. I was  
20 surprised by this fact, not only because I understood that GMAC had approved their  
21 permanent loan modification, but also, because GMAC would normally restart the  
22 foreclosure process anew once additional payments were received from a borrower under any  
23 loan modification plan.

24 11. After learning of these events, I was specifically advised by GMAC Mortgage  
25 management that I was no longer allowed to correspond via e-mail with borrowers. I was  
26 subsequently terminated by GMAC Mortgage for the purported reason that my production  
27 numbers were low, however, the numbers GMAC presented to me were not accurate.

28 12. Because I had met my production quota during my employment with GMAC, it



1 is my belief that GMAC modified the production data in order to justify my termination. I  
2 believe the true reason behind my termination was because of the information from GMAC's  
3 internal file which I disclosed to Ms. Longoni in email communications.

4 DATED this 15 day of May, 2012.

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7 JONATHAN "NATE" STEPHENSON

8 SUBSCRIBED and SWORN TO before me  
9 this 15<sup>th</sup> day of May, 2012.

10  
11 Notary Public

